

# M e m o r a n d u m

To: Panel Members Date: September 22, 2006

From: Dolores Kendrick, Manager Analyst: M. Paccereilli

Subject: One-Step Agreement for **COMMUNITY CAREER DEVELOPMENT, INC.**

## **CONTRACTOR:**

- Multiple Employer: Grant Recipient
- Training Project Profile: Job Creation: Training of Nurse Assistant & Caregiver to Licensed Vocational Nurse
- Legislative Priorities: Career Ladders
- Type of Industry: Services - Healthcare
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## **CONTRACT:**

- Program Costs: \$442,440
- Substantial Contribution: \$0
- Multiple Employer Support (0%) \$0
- Total ETP Funding: \$442,440
- Total In-kind Contribution: \$42,000
  - *Trainee Wages Paid During Training:* \$0
  - *Other Contributions:* \$42,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles
- Location of Training: 50% Center Based; 50% Employer Site

## **INTRODUCTION:**

Community Career Development, Inc. (CCD) is a non-profit 501(c)(3), community-based organization established in May 1972. It engages in a wide range of workforce development activities and operates the Wilshire-Metro WorkSource Center. The WorkSource Center promotes local economic development by providing services to businesses to help meet their workforce needs and to assist community residents who are in need of training or are seeking employment.

CCD is eligible to provide ETP-funded training in accordance with California Unemployment Insurance Code Section 10205(c)(4) as a grant recipient or administrative entity selected pursuant to the federal Workforce Investment Act.

The proposed Licensed Vocational Nurse (LVN) training qualifies for ETP funds under Unemployment Insurance Code, Section 10214.9 authorizing the Panel to fund training for persons who: (1) are currently working as nurse assistants or caregivers in a health facility; (2) are enrolled in an accredited nurse training program to become an LVN; and (3) have completed the first 800 hours of the LVN training program. Accordingly, this proposal is to train 45 nurse assistants or caregivers in the final 600-750 hours of their program. CCD will subcontract with Career Development Institute, Inc., Central Nursing College, and East Los Angeles Occupational Center to provide this training. These training providers are approved by the California Board of Vocational Nursing and Psychiatric Technicians (BVNPT) for this type of instruction.

According to CCD representatives, long-term care employers continue to face staffing shortages, specifically for licensed nurses. Based on surveys conducted by CCD, the employers participating in this Agreement have expressed a need for LVNs at each of their facilities. The core group of participating employers are primarily long-term care hospitals that operate health facilities for the diagnosis, care, prevention, and treatment of human illness including convalescence and rehabilitation. In accordance with ETP guidelines they are all subject to the Employment Training Tax.

This program will address the State's critical shortage of nurses by upgrading 45 nurse assistant/caregivers to licensed vocational nurses.

## **MEETING ETP GOALS AND OBJECTIVES:**

CCD proposes training that will further the following ETP goals and objectives:

- 1) Target economic development funds in occupations where employer demand exists;
- 2) Address the State's critical shortage of nurses; and
- 3) Increase advancement and job security by providing training to employed nurse assistants and caregivers to become LVN.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	Menu: Commercial Skills	45	600 – 750	0	\$8,522	\$15.00 - \$23.00
<b>Wages After 90-Day Retention</b>						
<b><u>Occupation</u></b>						
Licensed Vocational Nurse						
<b><u>Health Benefits Used To Meet ETP Minimum Wage:</u></b>					<b><u>Turnover Rate</u></b>	<b><u>% Of Mgrs &amp; Supervisors To Be Trained:</u></b>
Although the participating employers pay health benefits for their employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.					20%	0%
<b><u>Other Employee Benefits:</u></b>						
Varies by participating employer						

**COMMENTS / ISSUES:**

➤ ***Trainee Population***

All trainees are currently working in part-time or full-time nurse assistant and/or caregiver positions with ETP eligible health care facilities.

➤ ***Licensed Vocational Nurse Program***

The training providers are currently providing a 10 to 12 month continuous LVN training program using a curriculum approved by the BVNPT. These accredited LVN training programs consist of at least 1,530 training hours: 576 theory and 954 clinical hours. The ETP-funded portion will consist of up to 750 theory and clinical hours. Theory hours will be provided in a classroom setting at the training provider's facilities and clinical training will be provided in a laboratory setting at the training provider's facilities or at local health care facilities located in the Los Angeles County as approved by BVNPT.

The LVN training program starts in September 2006, but the ETP funded training will not start until March 2007. CCD wants an approved ETP contract before trainees start the non-ETP portion of the training.

**COMMENTS / ISSUES:** (continued)

➤ ***High Cost of Training***

The cost per trainee \$7,866 to \$9,832 is based on a range of 600 to 750 hours of training, respectively, at an hourly rate of \$13.11. This is more than twice the average ETP cost per trainee (\$2,118) due to the length of the classroom and clinical training program. The hourly rate was negotiated using the training providers' average training cost and taking into account the Average Daily Attendance (ADA) funds earned by public schools. The 600 to 750 hour range will allow CCD to enroll trainees that have completed more than 800 hours when the ETP-funded portion of the training begins.

CCD representatives state that the average hourly wage gain for a CNA or Caregiver that attains an LVN position in Los Angeles County is between \$4.00 and \$6.00 an hour. They also report that based upon employer surveys, the prevalent hourly wage range for entry level LVN in the Los Angeles County is \$15.00 to \$23.00 per hour, inclusive of health benefits.

➤ ***Training Costs Paid by Trainees***

Title 22 California Code of Regulations, Section 4412.1(a) Training Costs Charged to Trainee, states: "Unless otherwise permitted herein, or with written approval from the Executive Director of the Panel, trainees being trained under a contract funded by the Panel cannot be charged for any training costs."

The nurse assistant or caregiver trainees who will participate in this program will be individuals enrolled in a community college or with a private training provider and have paid tuition fees for the first 800 hours. In some cases, the tuition fees paid by the trainee may overlap during the 750 hours funded by ETP. If this should occur, the trainee must be reimbursed for any fees they may have paid for the ETP-funded portion of training.

➤ ***Retention Requirements***

After a trainee graduates from a nurse training program, the process for obtaining a vocational nurse license may take up to 20 weeks. The trainee takes the vocational nurse licensure examination (NCLEX). Examination results are forwarded to the BVNPT with an application for a license. The trainee is authorized to begin working as an LVN as soon as the BVNPT accepts and begins processing the application for a vocational nurse license. Therefore, for ETP purposes, the employment retention period may begin as soon as the ETP trainee is authorized to work as an LVN. Due to the nature of the LVN licensing process, it is understood that there will be a gap between the time that a trainee completes ETP training and begins the ETP employment retention period.

**RECOMMENDATION:**

Staff recommends that the Panel approve this One-Step Agreement, if funding is available and it meets Panel priorities. This recommendation is based on the fact that this training program will address the State's critical shortage of nurses; and increase advancement opportunities and job security by providing training for nurse assistants and caregivers to become LVNs.

**SUBCONTRACTORS:**

The following subcontractors will provide training services for an amount to be determined prior to the start of training:

East Los Angeles Occupational Center, Los Angeles, California  
Career Development Institute, Inc., Los Angeles, California  
Central Nursing College, Los Angeles, California

**THIRD PARTY SERVICES:**

Hazel Brown assisted in the preparation of the application documents for a total of \$2,800 based on an hourly rate of \$50.

**PRIOR PROJECTS:**

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET03-0297	Los Angeles	04/07/03-04/06/05	\$145,440	\$45,450 (31%)	\$84,210	\$26,108

\* *The low completion rate was due to a change in management and project staff. Most of the training took place towards the end of the contract term when new staff took over. The same staff will administer this contract stating that they have gained valuable experience during that time in delivering, administering, setting goals, and utilizing the ETP online database, which will allow their organization to be more successful in this proposal.*

COMMUNITY CAREER DEVELOPMENT, INC.

Licensed Vocational Nursing Program  
Curriculum

Class Lab Hours  
600 –750

COMMERCIAL SKILLS

Anatomy & Physiology  
Psychology  
Nursing Process  
Communication  
Patient Education  
Nutrition  
Normal Growth and Development  
Rehabilitation Nursing  
Maternity Nursing  
Nursing Fundamentals  
Pediatric Nursing  
Medical/Surgical Nursing  
Gerontological Nursing  
Supervision  
Leadership  
Communicable Diseases

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

**Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)**

Contractor's Name: Community Career Development, Inc.

CCG No.: ET07-0143

Reference No: 06-0414

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PRINT OR TYPE

Company: Country Villa Mar Vista

Address: 3966 Marcasel Avenue

City, State, Zip: Los Angeles, CA 90066

Contact Person/Title: Kimberly Evans, Administrator

Telephone No.: 310-397-2372

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 68

Total # of full-time company employees in California: 68

Estimated # of employees to be retrained or hired under this Agreement: 8

Company: Country Villa Rehabilitation

Address: 340 South Alvarado

City, State, Zip: Los Angeles, Ca 90052

Contact Person/Title: Mary Perez, Administrator

Telephone No.: 213- 484-9730

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 48

Total # of full-time company employees in California: 48

Estimated # of employees to be retrained or hired under this Agreement: 7

Company: Crescent Bay Convalescent Hospital

Address: 1437 14<sup>th</sup> Street

City, State, Zip: Santa Monica, CA 90404

Contact Person/Title: Gloria Mathews, Administrator

Telephone No.: 310-394-3726

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 70

Total # of full-time company employees in California: 70

Estimated # of employees to be retrained or hired under this Agreement: 8

**Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)**

Contractor's Name: Community Career Development, Inc.

CCG No.: ET07-0143

Reference No: 06-0414

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PRINT OR TYPE

Company: Fountain Gardens Convalescent Home

Address: 2222 Santa Ana Blvd

City, State, Zip: Los Angeles, CA 90059

Contact Person/Title: Joyce Huddleston, Director

Telephone No.: 323-564-4461

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 90

Total # of full-time company employees in California: 90

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Marlora Post Acute Rehab Hospital

Address: 3801 E. Anaheim Street

City, State, Zip: Long Beach, CA 90804

Contact Person/Title: Steve Hauser, Administrator

Telephone No.: 562- 494-3311

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Olympia Convalescent Hospital

Address: 1100 Alvarado Street

City, State, Zip: Los Angeles, CA 90006

Contact Person/Title: Otto Shwartz, Administrator

Telephone No.: 213- 487-3000

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 100

Total # of full-time company employees in California: 100

Estimated # of employees to be retrained or hired under this Agreement: 5